



The Municipal Corporation of the Town of Fort Erie

By-law No. 53-2023

Being a By-law to Amend the Town of Fort Erie Investment Policy By-law No. 109-2015 (Increase Portfolio Limit of Schedule I Banks)

Whereas By-law No. 109-2015 was passed by the Municipal Council of the Town of Fort Erie on August 17, 2015 to adopt an Investment Policy for the Town of Fort Erie; and

Whereas By-law No. 97-2017 was passed by the Municipal Council of the Town of Fort Erie on the 28th day of August, 2017 to amend the Investment Policy to implement a change in the portfolio and institutional limits for Credit Unions; and

Whereas By-law No. 52-2018 was passed by the Municipal Council of the Town of Fort Erie on the 26th day of March, 2018 to repeal and replace Appendix "B" to the Investment Policy to remove the minimum credit requirements and replace with financial indicator requirements for credit union investments; and

Whereas By-law No. 121-2022 was passed by the Municipal Council of the Town of Fort Erie on the 19th day of September, 2022 to remove the semi-annual reporting requirements and include the related analysis in the quarterly variance report; and

Whereas Report No. CS-01-2023 was considered at the Council-in-Committee Meeting held on March 20, 2023 to increase the Portfolio Limit of Schedule I Banks in Appendix "B" from 75% to 80% and the Portfolio Limit of Total Banks from 80% to 85%; and

Whereas it is deemed desirable to amend the Investment Policy to remove the semi-annual reporting requirements and include the related analysis in the quarterly variance report;

Now therefore the Municipal Council of The Corporation of theTown of Fort Erie enacts as follows:

1. **That** Appendix "B" of By-law No. 109-2015 is repealed and replaced with Schedule "A" attached hereto and forming part of this by-law.

2. **That** the Clerk of the Town is authorized to affect any minor modifications corrections or omissions solely of an administrative, numerical, grammatical, semantical or descriptive nature to this by-law or its schedules after the passage of this by-law.

Read a first, second and third time and finally passed this 27th day of March, 2023.

Mayor

Clerk

I, Carol Schofield, the Clerk, of The Corporation of the Town of Fort Erie certifies the foregoing to be a true copy of By-law No. 53-2023 of the said Town. Given under my hand and the seal of the said Corporation, this day of , 20

APPENDIX "B" – Eligible Investments, Diversifications and Ratings

Category	Limitations			
	Minimum credit		Portfolio Limit	Institutional Limit
	S/T	L/T		
Federal Government				
Government of Canada and Federal Guarantees			100%	100%
Provincial				
Provincial Governments and Provincial Guarantees	R-1 mid	A	100%	25%
Municipal Finance Authority of BC			20%	20%
Municipalities and Boards				
Other municipalities		A (low)	25%	10%
School board or similar		AA(low)	5%	5%
Banks/Corporates				
Sch I Banks	R-1 mid	AA(low)	80%	25%
Sch II Banks	R-1 mid	AA(low)	20%	10%
Total Banks			85%	
Loan or Trust companies	R-1 mid	AA(low)	10%	5%
Credit Unions	Note 1	Note 1	15%	10%
One Investment Program - Money Market			50%	N/A
One Investment Program - Bond			25%	N/A
One Investment Program - Equity			25%	N/A
Total One Funds			50%	

Dominion Bond Rating Service ("DBRS") provides ratings on institutional quality. A company having an R-1 rating is a high-grade prime credit. It has a very high ability to repay its current liabilities as they become due. The strength of various liquidity ratios is unquestioned and alternative sources of funds to commercial paper exist. The outlook for future liquidity and the trend of these ratios should be favourable. The level of profitability has been reasonable and relatively stable with only modest fluctuations. No substantial qualifying negative factors exist and the firm is of sufficient size to be a strong influence in its industry. DBRS also indicates where within the rating classification the company falls (high, middle or low).

Commercial Paper and Short Term Debt

<u>Symbol</u>	<u>Credit Quality</u>
R-1 (high)	Highest
R-1 (middle)	Superior
R-1 (low)	Satisfactory
R-2 (high)	Adequate
R-2 (middle)	Adequate
R-2 (low)	Adequate
R-3 (high)	Speculative
R-3 (middle)	Speculative
R-3 (low)	Speculative
D	In Arrears
NR	Not rated

Bond and Long Term Debt

<u>Symbol</u>	<u>Credit Quality</u>
AAA	Highest
AA	Superior
A	Satisfactory
BBB	Adequate
BB	Speculative
B	Highly Speculative
CCC	Very Highly Speculative
CC	Very Highly Speculative
C	Very Highly Speculative
D	In Arrears

Note 1

Financial indicators per section 3 (2.0.2) of O. Reg 438/97 must be achieved.